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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## **School Property Tax Control Board Meeting Minutes February 19, 2009**

**Call to Order:** The meeting of the School Property Tax Control Board (SPTCB) was held on Thursday, February 19, 2009. The meeting was held in the Indiana State Library, Room 401; 140 Senate Avenue, Indianapolis, IN 46204. Those in attendance were Richard Archer, Debbie Hinline, Dan Jones, Paul Joyce, Denise Seger, Roger Umbaugh, Chuck McLean (Administrative Officer), and Tafrica L. Harewood (Administrative Assistant).

**General Discussion:** Mr. McLean stated that at a previous meeting the Chairman of the SPTCB had resigned. He said that it was time for the members of the School Property Tax Control Board (SPTCB) to choose new officers. He also shared that since Senator Mills was unable to attend the day's proceedings, he had appointed Richard Besinger to chair the meeting. Mr. McLean went on to say that Mr. Besinger had been involved in an automobile accident on his way to the hearing and would be unable to attend. He informed the Board that they would need to select someone to chair the meeting in the absence of both Mr. Mills and Mr. Besinger. Mr. Roger Umbaugh was appointed to chair the meeting.

**Minutes and Discussion:** Mr. Umbaugh called the meeting to order at 9:09 am. Ms. Hinline made a motion to approve all of the minutes. Ms. Seger seconded. The motion carried by a vote of 6-0.

**Further Discussion:** Mr. McLean stated that the SPTCB was supposed to select new officers. Ms. Hinline made a motion that the SPTCB wait until next meeting to select new officers. Mr. Joyce seconded the motion. Motion passed by a vote of 6-0.

Mr. Umbaugh calls forth North Gibson School Corporation to speak.

**North Gibson School Corporation**  
**Gibson County**  
*Lease Financing*

Summary: The school is requesting approval to enter into a lease with the North Gibson Multi-School Building Corporation in the amount of \$45,000,000 with maximum annual payments of \$4,157,000 for a term of twenty-one years (21) years. The project is comprised of the remodeling of Princeton Community Elementary/ Middle School and adding 19,005 square feet, to the building. The existing facility known as the Princeton Community Middle School will be demolished. And a new 177,200 square foot building will be constructed to be Princeton Community High School.

Project Costs: \$45,000,000  
Amount applied to debt: \$0  
Annual Payment: \$4,157,000

Tax Rate Impact:	2007 AV	\$622,932,266
	Levy Needed	\$4,157,000
	Est. Tax Rate	.4863

Meeting and Publication Dates:

Date of Publication of the 1028 Hearing	06/19/2008
Date of 1028 Hearing	06/30/2008
Date of the Notice for the Preliminary Determination Hearing	07/03/2008
Date of Publication of the Preliminary Determination	07/03/2008
Auditor's Certificate of No Remonstrance	Remonstrance Filed*
Proof of Publication of Notice on Hearing of Lease	missing
Excerpts & Minutes Approving Form of Financing	01/08/2009
Common Construction Wage Hearing to be Held:	11/10/2008

\*Remonstrance defeated 1,721 yeas, 1,083 nays.

Unit plans a new facility appeal once occupancy dates are determined. There is no information on the amount or the rate. Since the General Fund is no longer a local levy, the School Corporation, will appeal through the Department of Education (DOE) for an increase allocation.

DLGF guidelines: Maximum cost per square foot.

	Elementary School	Middle School	High School
Remodel	220.00	212.00	236.00
Additions	220.00	212.00	236.00
New Construction	157.3	160.60	187.00

**Present for hearing:** B. Dale McCuiston, Superintendent; H. Mark Iunghuhn, School Board President; Lee McConnell, School Board Member; John S. Woods, School Board Member; Mary Madison, Teacher; Janey Burch, Retired Teacher; Steve Thomas, Supporter; Travis Nolcox, School Board Member; Stanley Madison, Supporter; George Jackson, Jr., Supporter; Brad Bingham, Bond Counsel; Jeff Qualkinbush, Bond Counsel; Collette Irwin-Knott, Financial Advisor; Belvia Hiadari, Financial Advisor; Scott Veazey, Architect; Leon Stone, Local Counsel; Linda Coleman, Assistant Superintendent.

**Comments:** Mr. McLean explained the process for the hearing, stating that he SPTCB would hear case from the Corporation representatives and then give others from the public the opportunity to speak.

Mr. McCuiston introduced himself and the School Board members. He informed the SPTCB that he had with him to share letters of support from representatives of various corporations in their area as well as seven of the largest farmers from their area as well. Mr. McCuiston pointed out that in addition to the professional support represented by their attorneys and financial advisors there was also a large group present from community. Mr. McCuiston reviewed the background and project descriptions. He stated that there was a broad level of support demonstrated by presence of those who had travelled with them. At his request the majority of room raised their right hand in support of the proposal before the SPTCB.

Mr. McCuiston, after reviewing letters of support, indicated that there would be some discussion of the TIF dollars and other information included for the SPTCB members' review.

Mr. McCuiston explained that the projects help solve some of building needs and School Board decided these are the right ones for their community. He said they would be helping a great number of students and not exceeding financial limitations. He told the SPTCB that petition remonstrance was processed on the last day, but a sizable majority wanted the project done. He said that there were 432 for the project and 114 against. Mr. McCuiston pointed out that despite remonstrance three of the board members who supported the project ran opposed and were re-elected to the School Board. He also noted that all five School Board members have been in support of the project from the beginning

Mr. McCuiston reviewed the 100 year old structure and their concerns that it is not handicap accessible, classrooms are too small for students, and that the existing middle school location creates hazards for pickup and drop-off of students. He also told the SPTCB that 183 elementary students are currently housed in the high school and are there are five pods in use, now for the second generation. Mr. McCuiston said that they would create an intermediate school so that these concerns could be addressed.

Mr. McCuiston said that the high school needs HVAC and repairs as well as technology upgrades. He said that the current high school gymnasium cannot accommodate most activities and there are safety concerns over the intermingling between middle and high school students because the high-school student must use the middle school gym. Mr. McCuiston said that the decision was made to build a new high school on the land adjacent to current high school. In reference to the cost associated with these projects, Mr. McCuiston said that they will cost no

more than the 2008 construction cost per square foot thresholds established by the Department of Local Government Finance (DLGF).

Mr. McCuiston said that with regard to the financing the School Corporation would lease the existing high school from a newly created local building corporation, which is comprised of three community residents. He said that this would take place during the construction of the new high school, eliminating five to six million dollars of capitalized interest costs. Mr. McCuiston went on to say that the first mortgage bonds would be issued in an amount not to exceed \$45 million, which will cover the cost of the project. He said that the bonds would be repaid in equal annual payments beginning after the completion of the new high school over a period not to exceed 20 years. Mr. McCuiston said the lease they have will not exceed 21 years to cover the construction period and the possibility of bonds being issued in more than one series. McCuiston said that the only the debt the School Corporation carries are the pension bonds at this time, so he said that they expect decreases in their capital projects fund and tax rate and increases in their assessed value from the tax increment area. Mr. McCuiston stated that the approximate impact is about \$60 to \$115/year on a home of \$75,000 to \$100,000 in value.

Mr. Jones asked how many facilities the Corporation was building or renovating. Mr. McCuiston said there would be one new high school and the current high school would be converted to grades three through eight, allowing them to get the kindergarten through second grade students into a more modern facility. He said that there would be retrofitting for some of the high school building to accommodate the smaller students. He also said that the Brumfield building, which is their K-2 facility, would have minor changes and will get rid of two schools, eliminating the two oldest structures.

Ms. Hineline asked about the circuit breaker effect. Mr. McCuiston replied that the circuit breaker will impact their district and the letter from Toyota addresses them allowing more money to pass through and raises their assessed valuation to offset the property tax. He then asked Ms. Irwin-Knott to come forward and explain the circuit breaker effect. Ms. Irwin-Knott stated that Mr. McCuiston's explanation was well-stated and then offered some additional details pointing out that the project assumes no further growth and that the school Corporation is in an enviable position with regard to assessed valuation. She also commented that there would be \$236,000 for the School Corporation, impacting the capital projects, transportation and bus replacement.

Mr. Archer asked if in their estimates they considered what would happen if the manufacturer disposed of that property and rolled off the tax abatement and were given new property and then given new tax abatement. He pointed out that in that situation the School Corporation would not receive any tax revenue.

Ms. Irwin-Knott replied the abatements that she described as rolling off are comprised of both real estate and personal property and that the real estate is made up of the actual buildings, which was the majority of the assessment that she was referring to. She added that there was also depreciable personal property and pools of equipment that are rolling off, so that could be moved or eliminated from the assessment and the breakdown of that is approximately 50% and 50% of the assessment for Toyota.

Mr. Joyce asked what the negatives would be for the project, what it is not addressing of the School Corporation needs, and asked for how long it would address School Corporation needs. Mr. Iunghuhn replied that they had a large, valid wish list and looking at that along with what is affordable, led to their decision. He said that there would be a modest population increase with the arrival of Toyota Boshuku, and there would be a need for a new middle school in the future, but the current proposal will address their immediate needs.

Mr. Joyce asked what they were doing with current buildings and if they would to repair or replace any of the things that will not be paid off for another 20 years. Mr. Iunghuhn said that having the high school gave them some leeway because of its size. In response to Mr. Archer's earlier question, Mr. Iunghuhn said he is on redevelopment commission and discussion on the pass-through will come up and the feeling now is that the School Corporation is holding more than they need to be, so he said that he expects that the pass-through amount would likely increase which will help. In reference to Mr. Joyce's question, Mr. Iunghuhn said that they have band-aided all that they could. Mr. McCuiston agreed.

Dr. Seger asked if there was anyone present who opposed to the project. No hands raised and no one came forward. Mr. Jones asked about the new high school and how many facilities they corporation has currently. Mr. McCuiston said that at the end of the plan there will be three buildings.

Mr. Jones looked at the assessed value in comparison to the size of the project, stating that the AV is \$612 million, and the project is 7% of AV. He asked what kind of financial burden that would put on the North Gibson community. McCuiston replied that in order to meet the needs of their students they really need the \$66 million project, but financially they could not do that. Ms. Irwin-Knott added that she would gladly share the information from the 1028 hearing. She said that the average home value is \$75,000 to \$100,000 and impact is \$60 - \$116 annually.

Mr. Jones asked how the general employment levels were in the area. Mr. Iunghuhn remarked that they were interesting. He said that Toyota is their major employer and they were trying to keep everyone working. He also said that this area of Gibson County is the largest coal and oil producer in Indiana and they are blessed because our largest employer is working to keep people employed.

Mr. Umbaugh called attention to their lack of debt and suggested that they look 10 and 20 years out in their planning.

Ms. Hineline asked if their structural problems were due to them being a mining community and if those would become an issue in their future. Mr. McCuiston said there was no plan for a central office. He said his office is in the high school and the building was retrofitted in 1990 to address structural issues and they do not anticipate any further issues. Mr. Iunghuhn said that the new building is off the mine and they are held to a strong measure by the community to ensure that the new facility would not be built over mine.

Ms. Hineline asked if they went through the referendum process today what the outcome would be. Mr. McCuiston said that they would be right along with those that were successful. He said that it may have cost the taxpayers more money if it had gone to referendum.

Mr. Tony Wolfe, President of Gibson County Council came forward to speak. He said that he whole-heartedly supports the North Gibson School Corporation project and agrees that if there was a referendum they would have been successful. He noted a problem, which he identified as an economic development issue, because the condition of the school buildings negatively impacts the impressions left on those who would invest in the area. Mr. Wolf said that someone may need to address concern over the rural areas where the tax caps are not yet in play. He said as it pertains to his concern on financing, he stated that there should be a stronger statement to bond holders that there will be adequate pass-through to not affect the cost of the bonds and help keeping taxes low.

Scott Wallace, a Gibson County farmer came forward to speak. He said that even if you have no interest in anything about schools except paying taxes, the North Gibson County Schools need to be building every 20 years so that the taxpayer does not have to bear the burden of building three or four school buildings all at once. He said he does not believe this proposed project is a big burden on the taxpayer, including the farmers. He said that he supports the project.

**Motion:** Ms. Hineline made a motion to recommend approval of the lease rental not to exceed \$45 million for a term of 21 years. Mr. Umbaugh seconded.

Motion passed by a vote of 6-0.

**Discussion on the motion:** Ms. Hineline had some question as to whether or not the time for the lease rental should be 20 or 21 years. Mr. Qualkinbush stated that the lease can be 21 years and there must be no more than 20 years on the repayment of bonds.

**Clay Community Schools**  
**Clay and Parke Counties**  
*Lease Financing*

Summary: The school is requesting approval to issue a lease with the Clay Community Multi-School Building for the amount of \$23,035,000 with maximum annual payments of \$4,075,000 for a term of nine years (9) years. The project calls for the renovation of 32,000 square feet of Eastside Elementary and an addition of 15,814 square feet to the facility. Jackson Elementary will have 52,000 square feet renovated and a Waste Water Treatment Plant on its campus removed and a new pumping station built. And Forrest Park Elementary School will have 44,000 square feet renovated.

Project Costs: \$23,035,000                      Amount applied to debt: 0                      Annual Payment:  
                          \$4,075,000

Tax Rate Impact:	2008 AV	\$854,948,940
	Levy Needed	\$4,075,000
	Est. Tax Rate	.3884

**Meeting and Publication Dates:**

Date of Publication of the 1028 Hearing	02/06/2008
Date of 1028 Hearing	02/18/2008
Date of the Notice for the Preliminary Determination Hearing	02/20//2008
Date of Publication of the Preliminary Determination	02/20/2008
Auditor's Certificate of No Remonstrance	Remonstrance filed*
Proof of Publication of Notice on Hearing of Lease	08/29/2008
Excerpts & Minutes Approving Form of Financing	08/28/2008
Common Construction Wage Hearing Held:	11/10/2008

\*Remonstrance defeated 2450 yeas, 521 nays.

Unit plans a new facility appeal once occupancy dates are determined. There is no information on the amount or the rate. Since the General Fund is no longer a local levy, the School Corporation, will appeal though the DOE for an increase allocation.

	Elementary School	Middle School	High School
Remodel	220.00	212.00	236.00
Additions	220.00	212.00	236.00
New Construction	157.3	160.60	187.00

**Present for hearing:** Dr. Dan Schroeder, Superintendent; Mike Fowler, Business Manager; Tom Reberger, Director of Facilities; Tom Neff, Architect; Jeff Qualkinbush, Barnes and Thornburg, LLP Bond Counsel; Damian Maggos, Financial Advisor/Underwriter; Jim Boots, Construction Manager/Skillman; Frank Misna, CCS; Kyle Miller, Schmidt–Architect.

**Comments:** Mr. Schroeder introduced himself and informed the SPTCB of who is in attendance with him. He reviews some information from their hearing before the SPTCB in late November of 2008 regarding the approval of a portion of the elementary school projects. He stated that at that time they provided discussion of the three-year community review process, which led to the projects before them today. Mr. Schroeder stated that there was remonstrance and the ratio of persons for and against the project was about 5 (for) to 1 (against). He said this demonstrated to the Corporation that there was significant support for the projects. He also noted that the project was approved by the School Board. Mr. Schroeder said that the projects before the SPTCB members will involve facility improvements and renovations at all of the elementary school buildings in order to eliminate the use of all portable classrooms and help to provide an equitable learning environment for all students.

Mr. Schroeder then discussed the tax rates and how they are impacted by these projects. He stated that the projects involved the issuance of general obligation bonds and lease financing bonds and a maximum principal amount not to exceed \$26,035,000 to be repaid over a period not to exceed nine and one half years. Mr. Schroeder added that they were able to reduce the maximum principal amount to an amount not to exceed \$23,035,000 and will repay all lease financing bonds, depending on interest rates, in eight to eight and a half years, which will allow them to address some of the other less urgent facility needs within the Corporation in 2018. He noted that the debt service tax required by these projects would be 31 cents; however the total debt service fund tax rate will stay constant at 38.5 cents, because of some of the other debts are paid off or reduced. Mr. Schroeder said that he and the School Board believed the current proposal to be the best choice for their corporation.

Mr. Archer explained that he was not present in November and asked for some background on the projects to which Mr. Schroeder had been referring. Mr. Schroeder stated that he had been Superintendent for about three years and gave Mr. Archer a review of project that began as a \$53 million proposal and a 20 year repayment plan, but with input from the community and the School Board the decision was made to go through with and request a \$23 million lease rental.

Mr. Joyce asked what the concerns of the remonstrators were. Mr. Schroeder explained that the concern was that the Corporation was not implementing the \$53 million plan. He reiterated that the plan was to repay the \$23 million in eight to eight and a half years.

Mr. Neff explained some of the details of the projects. He shared that there were seven elementary schools in the area and one of them was renovated where they redid the mechanical system, the electrical work, roof, as well as the fire alarm system. Mr. Neff also noted that they used the DLGF guidelines. He said there was about 150 square feet per student and portables were being replaced. He said on the older buildings the structure is good, but there were situations where things like plumbing needed to be replaced. Mr. Neff said there has been a revamping of the office area for security purposes. He said they are also reworking bus drop-off



areas to make it safer and upgrading in other areas as well, which will ultimately lower their operational costs.

Mr. Joyce asked if the project addressed the needs of the Corporation through the repayment period. Mr. Schroeder said that it does. He said that he feels this is the right time to do this project. He said that at their high schools they feel they are okay. Mr. Joyce asked if they are a cross-county school district. Mr. Schroeder said that was correct, they cover a part of Parke County as well as Clay.

Dr. Seger said that she compliments them on their long-term construction planning. Mr. Schroeder said it was Tom Reberger who put together a 10-year plan that helped with this. He said they are working to have some money saved when they come back in 2018.

Mr. Umbaugh asked how the economy was doing in their area. Mr. Schroeder said that their statistics are about average for unemployment; they are at 8.9%, where Indiana is at 8.1%.

Mr. Jones asked about debt service. He asked about the outstanding debt of the school at \$7.9 million debt and the proposal to add another \$23 million of debt. He noted the following debt service tax rate of .4395. Mr. Schroeder said that from the last 1782 depending on the county their debt service in Clay was .4393 and they were looking at their proposal which would put them at about .3800 across the board. He said in Parke County their debt service rate was .4436. Mr. Jones asked about the proposal to triple their outstanding debt. Mr. Fowler replied that this was because of their repayment mechanism. He said that the \$3 million that was approved last year will be paid off this year, so they will go down to zero on that. Mr. Schroeder said with this project they are at 1.12% when looking at the amount of debt to AV.

Mr. Umbaugh suggested that they look out 20 years. Mr. Schroeder noted that they could get a loan for under 4% and if they can take care of that in the next eight years, he feels the community should be very proud of them. Mr. Umbaugh advised them to be careful of low construction bids.

**Motion:** Ms. Hineline made a motion to recommend approval of the lease rentals for term of nine years for \$4,075,000. Dr. Seger seconded the motion.

Motion carried by a vote of 6-0.

**General Discussion on Shortfall Appeals:** Mr. McLean asked the SPTCB chairman to allow the Clay Community School Corporation representatives to stay in place and present their case for their shortfall appeals. The SPTCB agreed. Mr. McLean explained the need for the SPTCB to hear all shortfalls: 1) DLGF Counsel concluded that all shortfall appeals under the statutes need to be heard by the Control Board; and 2) the Commissioner's concern over why the appeals are being made. Mr. McLean said that all units may not need to raise taxes and the Commissioner wants the SPTCB to probe into the Units' need for the shortfall funds.

## **Clay Community School Corporation**

Clay and Parke Counties

### **Shortfalls in 2007 and 2008 General and Transportation Fund**

At this time the Unit is aware that information is missing, specifically the data from Parke County that they need to provide the DLGF in order to calculate the 2007 shortfall. The 2008 shortfall data is not yet available.

**Present for hearing:** Dr. Dan Schroeder, Superintendent; Mike Fowler, Business Manager.

**Comments:** Mike Fowler stated that there was a \$384,000 total shortfall, but they can only appeal for their general fund shortfall, which was just over \$153,000, and transportation, which was \$44,000. He said their transportation operating fund they were \$106,000 short. Mr. Fowler shared that they do not know what they are going to do because these funds are needed to keep current programs going and to keep the current routes that they have.

Mr. Joyce asked if they would be able to get by without raising taxes. Mr. Fowler replied by asking, “what is ‘getting by’?” He said he would like to just maintain what they have and not to have to cut. Mr. Schroeder explained that he felt it was unfair that when they fall below 100% they have to appeal and when they are above 100% the units are required to come before the Control Board. He said he appreciated the other process much more.

Mr. Joyce asked if the \$106,000 shortfall was due to gas prices and if they contracted their fuel prices. Mr. Schroeder explained that they have a positive cash balance in their transportation fund, but a structural deficit of \$106,000. He said they are not in debt in their transportation fund. Mr. Schroeder further explained that the deficit was due to fuel prices. He said they do not contract; they are corporation-owned. He said they try to get firm bids every year, but it never happens. Mr. McLean asked if they were using the coop for fuel. Mr. Schroeder said that they cannot, because they do not have that available in their area.

Mr. McLean said there was no paperwork or data available to calculate their shortfall. He explained that since they were coming and did not want them to have to make a second trip, the DLGF is asking that the SPTCB members make a motion recommending that they be given the maximum amount for which they qualify according the law if they find that their school corporation’s arguments have merit. Mr. Umbaugh commented that as long as the DLGF does the calculations, he does not see any reason not to approve it. Dr. Seger stated that in the past she does not believe there was any requirement to ask questions relative to the need of the school district. Mr. Schroeder said that he believes that their structural deficit is proof of their need and they cannot continue to operate with a shortage without going into their other funds.

**Motion:** Ms. Hineline made a motion to let the Commissioner make the decision when the numbers are available for review and recommend that the Clay Community School Corporation be given the maximum amount for which they are eligible given the DLGF calculations. Mr. Jones seconded the motion.

Motion carried by a vote of 6-0.

Mr. Umbaugh called for break at 10:35 AM

Mr. Umbaugh called the hearing back to order at 11:00 AM.

## **Seymour Community School Corporation**

Jackson County

### ***Shortfall Appeal***

**Summary:** The Unit is making an appeal for a shortfall due to it in 2008 revenue. The Unit is aware this appeal can not be processed until that data is available from the county Auditor.

**Present for hearing:** Nancy Lumley, Business Manager.

**Comments:** Ms. Lumley distributed to the SPTCB members, copies of the Jackson County Certificate of Errors as well as the Certificate of Refunds from the County Auditor for 2007 pay 2008. She said she had come before the SPTCB to talk about at shortfall appeal for 2008. She said the first collection of 2008 property tax was November 10, 2008, and the second was February 10, 2009, showing that they do not have all of the property and excise taxes from last year as yet.

Ms. Lumley indicated that she did receive the first 6-month distribution on December 31, 2008, but have not received anything since then. She said she hoped to have it all by the end of March 2009. She said the advertisement for the 2009 budget included \$500,000 for a general fund shortfall, in the event that it took place. She said the number was arrived at by using 5% of their levy. She also pointed out a \$26 million reduction in AV, but she said she is unsure of the impact of the refund on the AV as that number is not provided on the documents from the County Auditor. Ms. Lumley said there are greater than \$275,000 in refunds, and over \$500,000 in tax levy reflected on the error report. Ms. Lumley said that based on those numbers the School Corporation is anticipating a shortfall.

Ms. Lumley said the tax rate for 2006 was set at .6166 based on that AV, but if you were to adjust for the \$26 million change would lead to .654 tax rate, which is rather small, but significant dollars for the School Corporation. She said they have continued to grow and they want to continue to maintain quality programs for their students.

Mr. Joyce asked if the School Corporation needed the current shortfall money. Ms. Lumley replied that she looked at her cash balance and adjusted for the temporary loan and the funds that they were schedule to get, that is everything was in her levy, the cash balance would have been \$260,000 for a \$25 million budget. Mr. Joyce asked how much their payroll was on a bi-weekly basis. Ms. Lumley replied that it is about bi-weekly payroll is about \$800,000 for salaries. She said the run about 550 checks every two weeks.

**Motion:** Mr. Umbaugh made a motion to recommend approval of the shortfall after it is sent to the Commissioner for calculation. Ms. Hineline seconded the motion.

Motion passed by a vote of 6-0.

## **Anderson Community School Corporation**

Madison County

### *Shortfall in 2007 General and Transportation*

	General	Transportation	
Advertised	\$595,008	\$157,641	Unit Qualifies for its portion
Requested	\$595,008	\$157,641	
Actual	\$605,132	\$157,642	
Unit's Portion	\$157,642	\$55,408	

**Present for hearing:** Mikella A. Lowe, Superintendent; Kevin J. Brown, Business Manager.

**Comments:** Ms. Lowe introduced herself and the School Corporation's appeal. She noted that the dates on the appeal should say 2007 and not 1997. Ms. Lowe said that number three on the letter they sent to the DLGF is probably the most important thing they can share with the SPTCB. She said that it deals with the fact that they have been in decline since 1971, which has paralleled the decline of the automotive industry. Ms. Lowe said companies are leaving the area and just last year there were about 400 families that also left to go elsewhere to take jobs. Ms. Lowe said the economy overall in their area is not well and the School Corporation is looking at a \$5 million shortfall. She said they have been doing all that they can to figure out how to cope in 2010 and 2011 with a five to eight million dollar shortfall. She said the School Board asked her to put together a group of people from the community to come up with decisions. Ms. Lowe said that they need every penny they can get.

Mr. McLean clarified with Ms. Lowe and Mr. Brown that they are appealing for 2007. He indicated that the calculations were provided for the SPTCB in the summary sheet. Mr. Joyce asked if the money they are requesting is necessary for continued operations. Ms. Lowe said yes.

The SPTCB members reviewed the numbers presented on the summary. Mr. Brown clarified the shortfall amounts for their general and transportation funds, \$595,000 and \$157,000 respectively. Mr. Archer asked about the numbers presented. Mr. McLean replied that the shortfall is the amount of money that they did not receive. He explained that there are several reasons why they did not receive money. He said the unit is only entitled to a particular percentage based on a number of factors.

Mr. Brown said the refunds were in excess of \$100,000. Mr. McLean said he would email Mr. Brown the worksheets so that he could see how the DLGF did the shortfall calculations. Mr. McLean explained that part of the shortfall for the School Corporation as well as other units in Madison County is that people did not pay their taxes, and they cannot raise taxes on those who

are paying taxes to make up for those who are not. Mr. Brown said according to the Auditor the CV's were almost a million dollars and the refunds were \$100,000 just for their unit; however they are only asking for about \$750,000, though that is about \$1.1 million altogether to which they were potentially entitled. Mr. Brown also stated that the transportation and general fund are about 65% of their entire levy. Mr. Archer asked about the \$1.1 million in refunds for the units. In response Mr. Brown and Mr. McLean continue in conversation about the shortfall amounts and whether the shortfall comes solely from County funds or other units as well. Mr. McLean said the School Corporation is entitled to a percentage of that \$1.1 million. He indicated that he had gone through the raw data to calculate the shortfall amounts presented in the DLGF summary.

Mr. Brown asked if after they receive their 2008 settlement if they would be able to apply for an appeal if there is a shortfall for 2008, which is anticipated. Mr. McLean remarked that he would be able to appeal, unless the General Assembly changes the rules.

**Motion:** Dr. Seger made a motion to recommend approval of the shortfall appeal in the amounts of \$157,642 for their general fund and \$55,408 for the transportation fund. Ms. Hineline seconded the motion.

Motion carried by a vote of 6-0.

## **Mt. Vernon Community School Corporation**

Hancock County

### *Shortfall 2008 in General and Transportation Funds*

**Summary:** The Unit did not provide the County Form 22 need to calculate the actual loss. They will qualify for the lower of the actual loss or Units portion, whichever is lower. Provided the total does not exceed the \$300,000 requested.

	General	Transportation
Advertised	\$569,933	\$154,257
Requested	\$300,000	The Resolution calls for this amount to include both Funds
Actual	N/A	
Unit's Portion	\$141,353	\$18,543

**Present for hearing:** William Riggs, Superintendent; Beverly Baugh, Business Manager.

**Comments:** Mr. Riggs introduced himself as well as Ms. Baugh, and shared that they were there for a shortfall appeal. Ms. Baugh indicated that there were two substantial properties in Hancock County, both of which appealed to the County Assessor in the summer of 2008, requesting a reduction in their assessed valuation for their specific properties. She said that both are within the town limits of McCordsville, but there is no connection between them. Ms. Baugh also stated that the two properties were originally assessed at \$6 million a piece and both have decided to have a one to two year development delay on two major projects. Ms. Baugh went

onto say that because of the appeals filed with Hancock County, the School Corporation's 2009 budget was advertised to include appeals for the general fund and transportation fund to cover potential shortfalls and then for new facility appeals and a transportation excess levy appeal. She said it was confirmed that there was a \$4 million reduction in assessed value. Ms. Baugh said they are asking for monies equivalent to the affect of the reduced assessed valuation. She also noted that there was a correction on Item C, which should be .0039, then the line below should be .0013 - .0016 for the tax rate impact.

Mr. McLean stated that there was information missing when the appeal was submitted, so there is no calculation done for the unit. Mr. Jones asked if they had received their December settlement. Ms. Baugh stated that they had. Mr. Jones asked what there year-end operating balance was. Ms. Baugh said there was \$242,589 general fund and \$53,853 in transportation.

Mr. Joyce asked if the shortfall appeal was necessary to continue operations. Ms. Baugh said absolutely. Mr. Joyce asked about appropriations. Ms. Baugh said for 2008 the general fund was \$18,500,000 and transportation was just over \$1,000,000.

**Motion:** Ms. Hineline made a motion to recommend approval of appropriate shortfall once the calculations are checked by the Commissioner. Dr. Seger seconded the motion.

Motion passed by a vote of 6-0.

## **Batesville Community School Corporation**

Franklin & Ripley Counties

### *2007 Shortfall in General and Transportation Funds*

**Summary:** The DLGF concluded that the proportion of the shortfall in 2005 & 2006 due Refunds and Errors by the county can not be added to a 2007. They would need to be appealed separately.

	General	Transportation
Advertised	\$319,305	\$46,722
Requested	\$366,027	Both Accounts Total
Actual	\$216,203	\$46,723
Unit's Portion	\$48,770	\$10,561

**Present for hearing:** Tim Hunter, Director of Buildings and Grounds

**Comments:** Mr. Hunter introduced himself. Mr. Umbaugh asked Mr. McLean if there was anything unusual surrounding this appeal. He said no and that the SPTCB members should have the calculations. Mr. Joyce asked about whether or not there was a business manager could have come on behalf of the School Corporation. Mr. Hunter replied that they do not have one; they have a treasurer who was not able to be there. Mr. Joyce asked if Mr. Hunter would be able to

tell the SPTCB if the appeal is necessary for the continuing of operations. Mr. Hunter replied that there was a 5% shortfall in the property tax levy in 2007 and then another issue of the levy excess charged against them in the 1782 notice, which has created a serious hit to the operating balance.

Mr. Joyce asked why they are asking for the shortfall. Mr. Hunter replied that they are trying to maintain an 8% operating balance in the general fund. He said they currently have built their budget around being able to work that, but their balance is diminished. Mr. Joyce asked Mr. Hunter what the balance was. Mr. Hunter replied that there was about \$200,000 left in appropriations for 2008 and at the end of the 2008 they had not collected all of their tax money but they had a cash balance of just a few thousand dollars.

Dr. Seger asked if they were still collecting. Mr. Hunter said they have had final settlement, but they are in a unique situation. He said they collect from two counties. Mr. Hunter responded by saying that they had received their final distributions from Ripley County and now they have final settlement from Franklin County as well. He said that 2008 collection for both counties were close to or at 100%, which was improved over 2007.

Mr. Jones asked if they have a Rainy Day fund. Mr. Hunter said there was about \$75,000 in that fund, which was set up to handle retirement and severance benefits. He said they did not sell pension bonds.

**Motion:** Dr. Seger made a motion to recommend approval of the shortfall appeal in the amount of \$48,770 for general fund and for transportation in the amount of \$10,561. Ms. Hineline seconded the motion.

Motion carried by a vote of 6-0.

## South Vermillion Community School Corporation

Vermillion County

### *Shortfall Appeal in General and Transportation Funds for 2006 & 2007*

2006

	General	Transportation	
Advertised	\$373,288	\$84,131	
Requested	\$457,419		Between Both Funds for Both Years.
Actual	\$65,485	\$14,744	
Unit's Portion	\$99,987	\$22,512	

2007

	General	Transportation	
Advertised	\$373,288	\$84,131	
Requested	\$457,419		
Actual	\$157,804	\$34,388	
Unit's Portion	\$286,445	\$54,926	
TOTAL:	\$232,289	\$49,132	=\$281,421 < \$457,419

**Present for hearing:** David Chapman, Superintendent; Cindy Guinn, Business Manager.

**Comments:** Mr. Chapman introduced himself. Ms. Guinn introduced herself. Mr. Umbaugh asked Mr. McLean if there was anything he needed to add or share with the SPTCB members. Mr. McLean said no.

Mr. Joyce asked if the School Corporation needed this appeal to continue operations. Mr. Chapman replied yes. Ms. Guinn shared that their cash balance was \$16,000 last year and that was with lay-offs. She indicated that there would be more this year.

**Motion:** Ms. Hinline made a motion to recommend approval of the 2006 shortfall appeal in the amounts of \$65,485 for general fund and \$14,744 for transportation, as well as the 2007 shortfall appeal in the amounts of \$157,804 for the general fund and \$34,388 for the transportation fund. Mr. Joyce seconded the motion.

Motion carried by a vote of 6-0.



## Argos Community School Corporation

### Marshall County

#### *Shortfall in General and Transportation Funds for 2007*

Summary: The Unit may not receive more than its actual loss. Nor Greater than what it advertised.

	General	Transportation
Advertised	N/A	N/A
Requested	\$46,031	\$12,450
Actual	\$46,032	\$12,451
Unit's Portion	\$190,663	\$51,569

Copies of advertisement were not clear.

**Present for hearing:** Paige Gregory, Umbaugh Consultant; Pam Bishop, Business Manager.

**Comments:** Mr. Umbaugh asked about the advertisement. Mr. McLean said he now had a clear copy of them. Ms. Gregory introduced herself, and Ms. Bishop introduced herself. Mr. Joyce asked if the shortfall appeal was necessary for the continued operation of the Argos School District. Ms. Bishop said yes and noted that their 2008 cash balance was \$202,000. Mr. Joyce also asked what their payroll was. Ms. Bishop replied that it was about \$250,000 on a bi-weekly basis.

Mr. Archer asked if they had all of their 2008 distributions. Ms. Bishop stated that they had not received it all but they had received what they were going to get for 2008. Ms. Gregory said that this appeal was for 2007. Ms. Bishop stated that the shortfall was due to taxes that were paid by businesses that had appealed the assessed value. She explained that they were buildings in Argos that had been empty and taxes were paid based on the assessed value, so when the properties were sold, they sold for less than the assessed value, so they appealed the assessed value, which meant that they School Corporation AV had to pay back taxes they had already received in 2008.

Mr. Jones pointed them to Tab 4 in their appeal materials, showing their operating balance. He asked how much lower this was for 2008. Ms. Bishop said it was much lower. Ms. Bishop said approximately \$400,000. She further clarified that her ending cash balance for the general fund alone was \$202,000. Mr. Jones noted that this was about 5% of their operating balance at the end of 2008. Ms. Gregory noted that even with the appeal their operating balance will diminish. Mr. Jones asked what they plan to do about this. Ms. Bishop replied that they are working on RIF's for the 2009-2010 school year.

Ms. Hineline asked about the Rochester consolidation study. Ms. Bishop indicated that she was not aware of this.

**Motion:** Ms. Hineline made a motion to recommend approval of the shortfall appeal in the amount of \$46,032 for the general fund and \$12,451 for transportation. Mr. Joyce seconded.

Motion passed by a vote of 6-0.

## **Lawrenceburg Community School Corporation**

Dearborn County

### *Shortfall in General and Transportation for 2007*

**Summary:** The Unit explains that it has calculated its 2008 revenues to be off by over \$1,000,000. It is aware that the appeal can not be calculated at this time, but will be done as quickly as possible once the Dearborn County Auditor provides the data.

**Present for hearing:** Steve Gookins, Superintendent; Pam Taylor, Business Manager; Karl Galey, Assistant Superintendent; Kelly Mollaun, School Board President; Shirley Seitz, School Board Secretary; Mark Knigga, School Board Member; Pat Myers, School Board Members; Collette Irwin-Knott, Financial Advisor; Paige Gregory, Financial Advisor.

**Comments:** Introductions were made by Mr. Gookins, followed by Ms. Taylor, Ms. Gregory and the members of the School Board. He told the SPTCB that the money being requested was essential for Lawrenceburg. Mr. Gookins noted that there was a technical error made in the advertisement of the excess levy. He said that there was nothing in column 4, but in column 3 of the advertisement; and they were aware that if there is a shortfall anticipated then they were to put that in column 4. Mr. Gookins clarified for the Board that there was no reason at the point at which they advertised to believe there would be a shortfall. He also noted that the SPTCB could grant relief in extenuating circumstances and he expressed that they were experiencing extenuating circumstances. Mr. Gookins stated that 80-85% of the school district's funding is from local property taxes. He said it has been a concern for the last several years. To address the unexpected shortfall, Ms. Taylor wrote a letter to the County Auditor referring to if there are any delinquencies or things that the School Corporation should be aware of in preparation of their next budget to please inform them. Mr. Gookins said that Auditor's office replied that they have no way of breaking down what are delinquencies and what are not. Mr. Gookins said that was inaccurate and when H. J. Umbaugh was employed by the School Corporation and submitted information on their behalf, the breakdown earlier requested and denied the School Corporation was granted to H. J. Umbaugh.

Mr. Gookins noted his concern over the high amount of that their June 4 assessment, which as over \$1,000,000,000. He said Ms. Taylor checked with the County Auditor, who said it was correct. Mr. Gookins said they requested advanced draws whenever they could and the School District received an advance in the summer, but did not get final settlement until September. Mr. Gookin said they chose to delay budget hearing and adoption until November, hoping to have all of the data. He said that they received 51% of their levy and they believed it was correct. He said they had no concerns until December 18 when they were shown to be about \$1.7 million short on total levies. Mr. Gookins said that Ms. Taylor checked in with the County Auditor and Assessor who were unable to assist her in correcting the affects of a \$246 million loss in AV,

which as 26% of the School Corporation's assessment. Mr. Gookins said they are renegotiating insurance, working with natural gas co-ops, and doing all that they can to cut expenses. With a bare bones budget, Mr. Gookins said the School Corporation would be \$320,000 short of meeting their minimum obligations in 2009.

Mr. McLean said his only comment is about the advertisement, which does not have the shortfall included. He said his other concern is that they are asking to raise taxes on those who have paid taxes because of those that did not, or because of County incompetency. Mr. Gookins said they did advertise in column three, a rate high enough to cover what they are requesting and they had no objections at their hearing.

Ms. Gregory said that the shortfall appeals are allowed if there is an error in assessed value and this is a clear case of that. She said any shortfall that is heard and granted is on the tax payers; this is the way for the school to recoup their lost dollars.

Mr. Gookins stated that part of the problem with the assessed value is that abatement was not taken off for a power plant in their area. He said he called about it and asked if it was correct and they were told yes.

Mr. Joyce asked what their legal counsel had to say on this. Mr. Gookins said locally you can sue the County only if they will accept the suit. He then asked Ms. Sandy Gickell, the School District's attorney to come and speak on what legal recourse they had available to them.

Ms. Gickell remarked that with regard to the advertisement, she said this is a requirement on the form and not a law. She reiterated that the School Corporation did not know there would be a shortfall and with regard to putting this back on the tax payers; she said that if the Auditor had granted this abatement in the first place, instead of waiting until later after the AV had been certified, the taxpayers would have had more on them than they do now.

Mr. McLean commented on the fact the school district could speak with those in government who have influence over the local government. Ms. Gickell pointed out that they are following the recourse available to them by pursuing the shortfall appeal. Mr. Archer asked about the issue with the abatement. Ms. Gregory clarified that it was applied too late. Ms. Gickell said they Auditor forgot to take it off which led to a lower tax rate. She said the School Corporation did what they could as soon as they were aware. Ms. Gickell said there was no harm done and the School Corporation gave all the notices they were required to give.

Mr. Jones and Ms. Gickell discuss the appeal further. Mr. McLean said the Commissioner will receive consultation on the matter before making a final decision.

**Motion:** Mr. Umbaugh made a motion to recommend approval of the shortfall. Dr. Seger seconded the motion.

Motion carried by a vote of 5-1. Mr. Jones cast the dissenting vote.

**Comments on the Motion:** Ms. Hineline suggested that they talk with their legislators. Mr. Gookins and Ms. Gickell said that they already had.

## West Noble Community School Corporation

Noble County

*Shortfall for 2006 & 2007 shortfalls in Transportation and General Funds*

2006

	General	Transportation	
Advertised	\$296,826	\$125,000	Total amount advertised for 2 years 2006 & 2007 Appeals \$72,973 both Funds
Requested			
Actual	\$72,975	\$127,604	
Unit's Portion	\$52,823	\$14,497	

2007

	General	Transportation	
Advertised	\$296,826	\$125,000	Total amount advertised for 2 years 2006 & 2007 Appeals \$88,119 both funds
Requested			
Actual	\$84,593	\$38,070	
Unit's Portion	\$84,777	\$26,140	

Summary: In 2007, the Unit can only be allowed up to its requested amount. The DLGF can work with the unit on the allocations to each fund based on percentages either historical or contemporary.

**Present for hearing:** Barbara Fought, Treasurer.

**Comments:** Ms. Fought introduced herself. Mr. Joyce asked her position. She said she is the Treasurer. He also asked if this appeal was necessary for continued operations. Ms. Fought replied that it would be helpful. Mr. Joyce asked if they were making the request for any reason other than they have the right. Ms. Fought said they have also opened up another facility, and when they went for the new facility appeal they went for the cost to the public, but costs have increased. Ms. Fought said it would help offset the cost of additional personnel and utilities, and running of those facilities.

Mr. Joyce asked what their cash balance was. Ms. Fought said at the end of January it was \$1.1 million in the general fund. Mr. Joyce asked about bi-weekly payroll. Ms. Fought replied that it is about \$550,000 and by the time you add insurance it is about \$700,000. She said that PERF went up another 1/2%.

Ms. Fought said that they are only asking for general fund and there is no transportation fund included in their appeal. Mr. McLean said they could only receive the amount highlighted in the general fund column of the summary.

Ms. Fought clarified that they were a little high on the advertisement because it included their new facility. Mr. McLean and the SPTCB continue conversation about the exact amounts to include in the motion.

**Motion:** Mr. Umbaugh made a motion to recommend approval for the Unit's portion of the shortfall in accordance with the DLGF calculations, totaling \$52,823 for the general fund for 2006 and \$84,777 for the general fund for 2007. Ms. Hineline seconded the motion.

Motion carried by a vote of 6-0.

## **East Noble Community School Corporation**

Noble County

### *Shortfall in General and Transportation Funds for 2007*

	General	Transportation	
Advertised	N/A	N/A	
Requested	\$323,652	Total for both accounts	
			The Unit is aware it needs to provide a copy of its advertisement.
Actual	\$277,416	\$46,237	
Unit's Portion	\$224,550	\$37,425	

**Present for hearing:** Craig Ream, Business Manager.

**Comments:** Mr. Ream introduced himself and immediately asked for questions from the SPTCB members. Mr. Joyce asked if the School Corporation needed the appeal. Mr. Ream said that they do. He said that their School Board is looking at a plan right now to cut \$900,000 out of their budget so that they can sustain their Corporation in a healthy environment for the next four to five years. Mr. Joyce asked about their cash balance. Mr. Ream said at January 31, their cash balance was \$900,000. Mr. Joyce then asked what their bi-weekly payroll was. Mr. Ream replied that it was a little over \$800,000.

Ms. Hineline asked about their advertisement. Mr. McLean said he did receive it.

**Motion:** Ms. Hineline made a motion to recommend approval for the Unit's portion of the shortfall in accordance with the DLGF calculations, totaling \$224,550 for the general fund and \$37,425 for the transportation fund. Dr. Seger seconded the motion.

Motion carried by a vote of 6-0.

## **Wa-Nee Community School Corporation**

Elkhart and Kosciusko Counties

### *Shortfall in General and Transportation Funds for 2008*

**Summary:** The Unit has filed this appeal and is aware that they will not have the data necessary from the two County Auditors to do the calculations necessary for some time.

**Present for hearing:** Joe Sabo, Superintendent; Roger Zentz, Business Manager.

**Comments:** Mr. Zentz introduced himself to the SPTCB. He explained that they are filing for the shortfall appeal as a safeguard. He stated that they have had some things going on in their community such as a tornado, along with high unemployment are affecting the amounts they are receiving in taxes. He said he is unsure as to what they would qualify for, but they are only asking for what they would qualify for once the calculation is made. Mr. Zentz noted that they did advertise it and it was approved by the School Board. He said that their June 2008 draw was received in January 2009. He said that they are anticipating their December draw some time in March. He said their cash balance on December 31, 2005 was \$2 million. He said it was \$1.1 million in December of 2007. Mr. Zentz went on to say that they were spending about \$450,000 to \$460,000 more than they were taking in per year. He said that in 2008 they made \$500,000 in payroll cuts, so their ending cash balance if they get what they are entitled to from Elkhart County will be about what their cash balance was in 2007. Mr. Zentz clarified for the Board that this shortfall appeal is a general fund request only. He said that he hopes that they do not qualify for any of the shortfall because that would mean they were given all that they were entitled to.

Mr. Umbaugh asked if they were facing a reduction in students. Mr. Zentz stated that they are down about 200 students in the last two years. Mr. Umbaugh also noted for the rest of the SPTCB that Elkhart has the highest unemployment rate in the State of Indiana. Mr. Zentz noted some of the major employers who were filing for bankruptcy.

**Motion:** Ms. Hineline made a motion to recommend approval of the shortfall in the amount approved by the Commissioner once the calculations are done. Dr. Seger seconded the motion.

Motion carried by a vote of 6-0.

## **Covington Community School Corporation**

Fountain & Warren Counties

*Shortfall in 2007*

	General	Transportation
Advertised	\$200,000	\$75,000
Requested	\$72,329	\$14,577
Actual	\$255,946	\$51,578
Unit's Portion	\$51,578	\$12,717

**Present for hearing:** Stu Weliever, School Board Attorney.

**Comments:** Mr. Weliever shared that he was not the ideal representative for the school district; however in attendance because their Superintendent had resigned on February 4, 2009 in the middle of a State Board of Accounts audit.

**Motion:** Ms. Hineline made a motion to recommend approval for the Unit's portion of the shortfall in accordance with the DLGF calculations, totaling \$51,578 for the general fund and \$12,717 for the transportation fund. Mr. Joyce seconded the motion.

Motion carried by a vote of 5-0.

## **Warrick Community School Corporation**

Warrick County

*Shortfall in General and Transportation Funds for 2007*

	General	Transportation
Advertised	\$400,000	\$120,000
Requested	\$400,000	\$106,139
Actual	\$557,838	\$106,140
Unit's Portion	\$359,025	\$86,280

**Present for hearing: DID NOT APPEAR.**

**Comments:** Mr. McLean shared with the Board that Warrick Community School Corporation had withdrawn their appeal.

## **Lafayette Community School Corporation**

### **Tippecanoe County**

#### ***2008 shortfall appeal in the General and Transportation Funds.***

**Summary:** The Unit is aware it will not have the data necessary from the County Auditor for some time in order to calculate the amount of the appeal.

**Present for hearing:** Mr. Bob Foreman, Deputy Superintendent.

**Comments:** Mr. Foreman introduced himself. Mr. Umbaugh stated that there was no numbers at this point. Mr. McLean confirmed that. Mr. Foreman said that the issue is that they were \$443,000 short in 2008 in tax collection. He said there was an anticipated increment of \$400,000 for the 2009 school year, plus an anticipated increase in the cost of insurance of \$450,000, and whatever increase in utilities will be. Mr. Foreman they are in a difficult situation to continue their current programs without making some cuts. He shared that they are looking at making cuts to staff. Mr. Foreman added that they the budget may flat-line for the next two years. He said he would supply numbers for the DLGF to review.

Mr. McLean asked when the numbers would be available. Mr. Foreman responded that he already knows there was a 97.38% collection on taxes for their district, but Form 17 for errors and refunds would take a few weeks before it was ready.

**Motion:** Ms. Hineline made a motion to recommend approval of the request, once all the information is available and the Commissioner has been able to calculate the amount to which the Lafayette School Corporation is entitled. Mr. Joyce seconded the motion.

Motion carried by a vote of 5-0.

**Questions on the motion:** Mr. Joyce asked what their cash balance was at the end of the year. Mr. Foreman replied that it was 3%. Mr. Joyce then asked about wages. Mr. Foreman said they are about \$36 million for the year and \$1.5 million on a bi-weekly basis. He also noted the difference in the operating balance of the Lafayette School Corporation today as compared to 1983 when the operating balance was 10.8% and last year their unobligated cash balance was about 1%.

**General Discussion:** Mr. McLean noted that given how quickly the shortfall appeals are being resolved, in the future he will assign five minute intervals for these appeals.



## **Twin Lakes School District**

### **White and Carroll Counties**

#### ***Shortfalls in 2007 & 2008 in the General and Transportation Funds***

**Summary:** The Unit has filed this appeal and is aware that they will not have the data necessary from the two County Auditors to do the calculations necessary for some time.

**Present for hearing:** Tom Fletcher, Superintendent; Todd Bess, Assistant Superintendent.

**Comments:** Mr. Fletcher introduced himself and Mr. Bess. Mr. Umbaugh pointed out that the packet is here, but there are no calculations. Mr. Fletcher stated that he brought some information from the two Auditors with him but it is incomplete because White County billed late and they hope to have their report by April. He said he has the certificate of error report from Carroll County and first half of the information from White County. Mr. McLean said that they can just send it when everything is ready.

Mr. Fletcher reviewed how the shortfall funds would be used. He said they would use the funds to support at least part of the total expense for the kindergarten through third grade Reading First Program. In addition, Mr. Fletcher said the funds would also be used for a full-day kindergarten for all students... Thirdly, Mr. Fletcher said the funds would help maintain the College Double-Up program, where they partner with Ivy Tech, and they would also use it for Title 2 programs to help with the needed reductions to class-size.

Mr. Joyce asked what their current cash balance was. Mr. Fletcher said at the end of the year their operating balance was \$900,000 general fund and their monthly salary expenses are about \$420,000, which includes benefits. Mr. Fletcher also stated that they \$900,000 would have been significantly larger if they had collected all of their White County funds. He said it would be close to \$3 million.

Mr. Joyce pointed out that they are not sure how much of that money they will get. Mr. Fletcher agreed. Mr. Jones asked what their annual operating budget was. Mr. Fletcher said it was \$17 million just for the general fund. Mr. Fletcher shared with the SPTCB members that the School Corporation did have to borrow money last year.

Mr. Joyce asked if this was the type of money they needed for continuing their operations. Mr. Fletcher said yes. Mr. Jones noted that the shortfall is one-time funding; he asked how they would continue to programs after that. Mr. Fletcher said for the Reading program they will discontinue the program if they do not have enough money; with the full-day kindergarten can make cuts where necessary; and he indicated that they are committed to the College Double-Up Program whatever it takes. Ms. Hineline pointed out that the statute says that they have to provide the program. Mr. Fletcher added that the Title 2 program is taken care of by Mr. Bess.

Mr. Fletcher shared with the Board that the school district and constituents in their area were grateful for help with the gym project.

**Motion:** Ms. Hineline made a motion to recommend approval of the request, once all the information is available and the Commissioner has been able to calculate the amount to which the Twin Lakes School Corporation is entitled. Mr. Joyce seconded the motion.

Motion passed by a vote of 5-0.

## **DeKalb County Eastern Community School Corporation**

DeKalb County

### *2008 Shortfall in the General and Transportation Funds*

	General	Transportation
Advertised	\$700,000	\$200,000
Requested	\$41,855	Both Accounts
Actual	\$31,676	\$10,182
Unit's Portion	<b>\$12,936</b>	<b>\$4,158</b>

**Present for hearing:** Phil Carpenter, Business Manager.

**Comments:** Mr. Carpenter introduced himself and the appeal to SPTCB. Mr. Joyce asked what their year-end cash balance was for 2008. Mr. Carpenter replied that it was \$250,000 and Rainy Day fund was \$700,000.

Mr. Joyce then asked what the about of their bi-weekly payroll was. Mr. Carpenter stated that it was \$4 million, about 84% of their budget. Mr. Joyce inquired as to whether or not this appeal was necessary for continuing operations. Mr. Carpenter said yes and a review of their funds was available. Ms. Hineline reviewed with Mr. Carpenter what he would be eligible for. Mr. Carpenter said that he has different numbers than what is on the summary. Mr. McLean said that he would send a copy of the spreadsheet with DLGF equation.

**Motion:** Ms. Hineline made a motion to recommend approval of the request for shortfall for \$12,936 for the general fund and \$4,158 for the transportation fund. Mr. Joyce seconded the motion.

Motion passed by a vote of 5-0.

## **Smith-Green Community School Corporation**

Noble and Whitley Counties

### *Shortfall in the 2007 General and Transportation Funds*

**Summary:** The Unit has been made aware of all the documents necessary to provide the DLGF in order to calculate this appeal. At this time they have not arrived.

**Present for hearing:** Adam Skiles, Director of Business and Technology.

**Comments:** Mr. Skiles introduced himself to the Board. Mr. Umbaugh asked if the DLGF was still awaiting information. Mr. McLean replied yes. Mr. Joyce asked Mr. Skiles if he thought the shortfall appeal was necessary for the operation of the school district. Mr. Skiles replied that it was not necessary to the extent to which he believed when submitting the appeal. Mr. Skiles stated that after reviewing what the counties sent to him he will not need as much as he requested initially, but every little bit helps especially being a small school corporation. Mr. Joyce asked about the School Corporation's cash balance. Mr. Skiles stated that it is about 15% or \$1.2 million. Mr. Joyce asked about their bi-weekly payroll. Mr. Skiles said it was \$250,000 to \$260,000, which does include benefits.

Mr. Archer asked if there was any idea of their shortfall would be based on what was received from the counties. Mr. Skiles replied that he forwarded the information from counties on to Mr. McLean at the DLGF. Mr. McLean indicated that calculations were not yet available.

Mr. Joyce asked if the school district had a Rainy Day fund. Mr. Skiles replied that they do not. Mr. McLean said that he would send the spreadsheet with DLGF calculations to Mr. Skiles.

**Motion:** Ms. Hineline made a motion to recommend approval of the Smith-Green request once the numbers are available to the Commissioner. Mr. Joyce seconded the motion.

Motion passed with a vote of 5-0.

## **Richmond Community School Corporation**

Wayne County

### *Shortfall in 2007 for both General and Transportation Funds*

	General	Transportation
	Need Clear	Copy
Advertised		
Requested	\$340,296	\$53,362
Actual	\$306,439	\$46,593
Unit's Portion	\$194,750	\$29,611

**Present for hearing:** Robert Coddington, Director of Business Affairs.

**Comments:** Mr. Coddington introduced himself. He stated that this was a 2007 shortfall appeal for \$306,438 for the general fund and \$46,593 for the transportation fund. Mr. Joyce asked if Mr. Coddington considered this appeal necessary for the operation of the School Corporation. Mr. Coddington replied yes, especially with their declining enrollment.

Mr. Jones asked what their operating balance was at the end of 2008. Mr. Coddington replied that it was \$4,400,000. Mr. Joyce asked what their bi-weekly expenses were for salaries. Mr. Coddington stated that salaries totaled about \$1,000,000 on a bi-weekly basis. Mr. Jones asked what amount of money was in their Rainy Day fund. Mr. Coddington replied that there was about \$2,884,000.

Mr. Umbaugh calls for a motion.

**Motion:** Ms. Hineline made a motion to recommend approval of the amounts determined by the the Department of Local Government finance to be the unit's portion of the shortfall, \$194,750 for general fund and \$29,611 for transportation. Mr. Jones seconded the motion.

Motion carried by a vote of 5-0.

Mr. Umbaugh asked for a motion to adjourn at 1:22 PM. Ms. Hineline made a motion to adjourn. Mr. Archer seconded the motion. Motion passed by a vote of 5-0.